



U.S. Senator

Jim Jeffords



Summer, 2000

United States Senate

Update on Business Issues

Dear Fellow Vermonter:

As we begin the new millennium, I have never been more excited about both the challenges before us and my ability to help Vermont and the nation move forward.

Technology is changing the way we can learn; the Internet is opening doors to opportunities for every citizen in Vermont. Our small rural state can and does compete in the world of e-commerce and Internet business just as the industry giants do. While we can tout some strong international trade initiatives, Vermont has barely scratched the surface in the world marketplace.

As the Chairman of the Senate Health, Education, Labor, and Pensions Committee and a member of the Senate Finance Committee, I am in a position to make a real difference. My position on these Committees gives Vermonters a national voice, and more importantly allows that voice to be heard.

In the last decade, my work on these committees has focused on tax incentives for businesses to help employees with quality child care and pension reform, simplification of the tax code, tax credits for the self-insured to make health insurance more affordable, and a workforce education and training system that provides a skilled labor pool for Vermont's employers. I will continue to emphasize the importance of these issues which, combined with an expansion of Vermont's telecommunications infrastructure, will help position Vermont to do increasingly more business around the globe.

As always, I deeply value your opinions and concerns. Please continue to contact me, whether it be in person, by telephone, in letters, or by e-mail. I assure you that I will always listen.

Sincerely,

Senator Jim Jeffords

Workforce & Development

As most business owners can attest, Vermont's low unemployment rate is making it difficult to find and hire qualified workers. One of Senator Jeffords' highest priorities is to address this crisis through improvements in high-school and vocational education.

Workforce Development Initiatives

Over the past two years, he has secured \$3 million in Federal funds for the Springfield Workforce Development Center. Senator Jeffords is a strong supporter of workforce training in Vermont and across the nation. In 1998, Congress passed his Workforce Investment Act, to ensure that Americans have the training they need to qualify for skilled jobs. The act was the first overhaul of federal job

training programs since 1982, when he joined others in authoring the Job Training Partnership Act.

In the short term, he supports expanding the H1-B visa program to alleviate the critical shortage of engineers and other highly skilled workers in certain high-tech professions. In the long-term, it is critical that our country's education system do a better job of attracting students into science and engineering careers. To this end, Senator Jeffords secured \$157,590 in federal funds to take the innovative Learn to Earn program statewide. The objective of the program is to make parents and teens aware of the training and education needed to obtain a good paying, high tech job.

Employee Stock Option Bill

Senator Jeffords also authored legislation that the President recently signed into law that encourages employers to provide stock options to all employees, not just executives. This legislation amends Federal law so that all hourly workers can benefit from stock options.

Expanding the Labor Force Through Social Security Reform

More than 800,000 seniors in the workforce annually lose some or all of their Social Security benefits because the Federal government penalizes seniors for working past retirement age. In March of this year, Senator Jeffords voted to put an end to the monthly earnings limit on seniors who work, supporting legislation to eliminate the earnings cap imposed on seniors who earn more than \$17,000. President Clinton signed this legislation into law.

Pension Portability

In July of 1999, Senator Jeffords introduced the Retirement Account Portability Act of 1999, that would make employer-based retirement savings accounts more portable, even when a worker moves among different types of employers. If a new employer does not have a pension plan, the worker would be able to temporarily place his or her retirement savings in an IRA until he or she works for an employer with a plan. This “portability” of pension assets would allow employees to keep better track of their retirement nest egg and watch its value grow.

This year, he has coauthored a comprehensive bipartisan pension reform bill, the Pension Coverage and Portability Act. Although continuing to evolve, the major themes are expanding pension coverage, increasing pension access and fairness for women, increasing portability of pensions, strengthening pension security and enforcement, encouraging retirement education, reducing red tape for plan sponsors, and excluding from income the cost of employer-provided retirement advice.

Tax Initiatives

In 1997, Senator Jeffords took a seat on the powerful Senate Finance Committee, which has jurisdiction over all revenue measures.

Estate Tax Reduction

To encourage the continuation of family-run businesses, Senator Jeffords supports efforts to reduce estate taxes for small businesses and farms. With increases in property prices, some small business owners and farmers may now own land that is so valuable that their heirs could be forced to sell the family’s property to pay estate taxes.

Deductibility of Health Insurance for the Self-employed

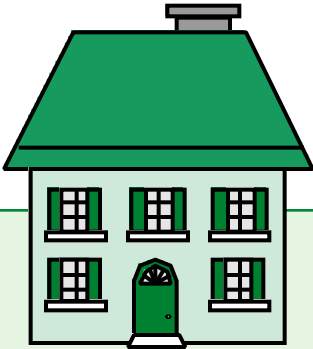
Senator Jeffords has repeatedly co-sponsored legislation to make health insurance for the self-employed deductible. With his support, the 1997 tax bill made such costs partially deductible, with full deductibility being gradually phased-in. He has co-sponsored legislation to accelerate the phase-in, and make such costs fully deductible immediately.

Childcare Assistance for Working Families

Senator Jeffords has recognized that child care is an important issue for both working parents and employers. As the author of the most comprehensive child care legislation introduced in Congress, Senator Jeffords has successfully raised awareness about the need to improve the availability of affordable, quality child care. It is a critical component of worker recruitment, attendance, and retention, as well as an investment in our future workforce. Specifically, he has introduced several legislative initiatives designed to help working parents and their employers by increasing child care-related tax credits and grants.

Low Income Housing Tax Credit

As part of the 1999 Senate tax bill, Senator Jeffords worked to nearly triple Vermont’s access to tax credits for construction of housing for individuals and families with low and moderate incomes. Although the 1999 bill was vetoed by the President, Senator Jeffords expects this issue to arise again, and he will fight to include a similar small-state minimum in the next tax bill.



Oil Prices

Senator Jeffords recently helped make a home heating oil delivery in South Burlington to highlight his concern that fuel prices will again spike this winter. He has taken several steps to address the home heating oil crisis including:

- Calling for the creation a Northeast Home Heating Oil Reserve;
- Educating consumers on benefits of pre-purchasing their winter's fuel needs;
- Pushing domestic and OPEC refiners to increase production of fuel oils;
- Requesting the Federal Trade Commission to investigate increases in fuel prices;
- Calling on the President to release oil from the Strategic Petroleum Reserve.



Senator Jeffords recently helped make a home heating oil delivery in South Burlington to highlight his concern that fuel prices will again spike this winter

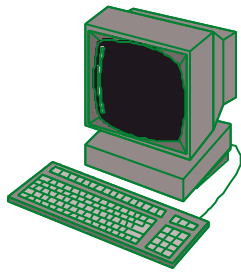
Small Business Liability Reform Act

Senator Jeffords is a co-sponsor of bipartisan legislation, The Small Business Liability Reform Act, to provide small businesses with 25 or fewer employees certain protections from litigation excesses and to limit the product liability of non-manufacturer product sellers. It is his hope that the enactment of this legislation will deter frivolous litigation against small businesses and decrease the unpredictability and expense of our tort system.

Technology

Electronic Signatures

Senator Jeffords supported Senate passage of new legislation that addresses the use of electronic signatures, a means of verifying the user of a computer system to control access to, or to authorize, a transaction, in interstate and commercial contracts. The legislation, which was co-authored by Senator Leahy, establishes a national legal framework for the use of electronic signatures. The President signed this legislation into law June 30.



Broadband Services

With passage of the Telecom Act of 1996 and the advent of various companies deploying broadband services, Senator Jeffords has been working to see that Congress focuses on oversight of the 1996 Act to ensure greater telephone competition, high speed Internet competition and cable television competition for consumers.

Research and Development

Senator Jeffords continues to be an advocate for the Experimental Program to Stimulate Competitive Research (EPSCoR). EPSCoR is a program in seven Federal agencies that gives states that have historically not participated fully in the Federal government's research and development efforts the chance to do so. He also voted for legislation last year, which was signed into law by the President, making the Research and Development tax credit permanent.

Phone Taxes

In June, Senator Jeffords voted to repeal a 3 percent excise tax on telephone service. The tax was first enacted in 1898 as a temporary measure to help finance the Spanish-American War. The vote to repeal the telephone tax passed unanimously in the Senate Finance Committee. The bill now goes before the full Senate for consideration. The House of Representatives passed a similar measure in May.

Economic Development

Brownfields Revitalization

Senator Jeffords strongly believes that economic growth and environmental protection are complementary and compatible goals. To this end, he is a co-sponsor of the recently introduced Brownfields Revitalization and Environmental Restoration Act of 2000. This bill would

greatly enhance federal involvement in brownfields revitalization by authorizing up to \$150 million per year to local governments, and states for brownfields site assessment and cleanup. An additional \$50 million per year would be made available to states to improve their brownfields programs. This bill complements the Small Business Brownfields Redevelopment Act of 1999, a bill that he authored and introduced last summer which links existing and prospective small business owners with the capital they need to address brownfields cleanup concerns.

Transportation Improvements

Enhancing the ability of Vermont's businesses to get goods to their customers and tourists to Vermont has been a high priority of Senator Jeffords. He continues to push for increases in Vermont's share of Federal highway, aviation, and rail dollars.



Fuel and Electricity Costs

Senator Jeffords, along with several other Northeast Senators, is asking for \$10 million for a home heating oil reserve in the region. A reserve would help ensure that last winter's spike in home heating oil prices never happens again. He is also part of a coalition of Northeastern Senators pushing for the release of oil from the Strategic Petroleum Reserve.

Vermont has some of the highest prices for electricity in the nation. While it appears that a comprehensive bill to deregulate the U.S. electricity industry will not be passed by the Congress this year, Senator Jeffords continues to push for a bill that will level the playing field between regions so that Vermont's businesses are not lured away by the promise of subsidized electricity in another state and a bill that will decrease our nation's dependence on foreign oil.

Dairy Compact Extension

Last year, Senator Jeffords helped secure a 2 year extension of the Northeast

Dairy Compact and the permanent extension of Option 1A, a federal pricing structure beneficial to Vermont dairy farmers. The compact, enacted in 1996 has added more than \$45 million to Vermont's agricultural economy and has helped

protect Vermont farmers from the volatility in the price of milk.



Support for Women-Owned Businesses

The Senator introduced legislation this year with seven of his Senate colleagues to reauthorize the National Women's Business Council and increase its funding. Congress established the Council, a bipartisan federal advisory panel, in 1988. Its members are prominent women business owners and leaders of women's business organizations appointed to provide advice and counsel to the President, Congress and the Interagency Committee on Women's Business Enterprise. In its decade of operation, the

Campaign Finance Reform



Senator Jeffords is seen here with other sponsors of legislation to increase the disclosure rules for so-called 527 tax-exempt groups. These groups exploit a recently discovered loophole in the tax code that allows organizations seeking to influence federal elections to fund election work with undisclosed and unlimited contributions at the same time they claim exemption from both federal taxation and the federal election laws. Jeffords was a cosponsor of the legislation, which President Clinton recently signed into law.

Council has been instrumental in advocating for major policy initiatives that have increased opportunities for the nation’s 9 million women business owners.

Downtowns

In the Senate, Senator Jeffords created the Senate Smart Growth Task Force, a bi-partisan, multi-regional working group dedicated to exploring and promoting community-focused development policies. He continues to push for enactment of legislation that he authored that would give local communities a voice in U.S. Postal Service decisions to relocate, close, consolidate, or construct new post offices. He has also taken to heart the fact that revived arts centers are breathing new life into Vermont’s downtowns by supporting Federal funds for arts projects in Burlington, Rutland, Vergennes, Bennington, Enosburg, and Bellows Falls.

Wastewater Infrastructure

In partnership with Senator Leahy, Senator Jeffords continues to be concerned about the economic development of communities with limited sewer capacity. In the past two years, the Senators have secured Federal sewer funds for Milton, Springfield, and Pownal.



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GRANTS ALERT!

If you are looking for information on how to obtain federal funding for a project or program and need assistance please feel free to contact me. If you have access to the internet, my web page has a grants alert page which is filled with helpful information and links to federal agencies. Please let me know how I can help. (<http://www.senate.gov/~jeffords>)

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